FPA Members More Concerned About Volatility Than Opt-in

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Financial planners are more concerned about ongoing market volatility than the introduction of opt-in, according to a survey of its members by the Financial Planning Association (FPA).

The survey found that while opt-in was the number one regulatory concern for advisers over the upcoming 12 months, overall, members were more worried about market fluctuations continuing into the New Year.

Speaking at the FPA's National Conference, CEO **Mark Rantall** said the recent events in Europe demonstrated the ongoing fragility of world's financial markets.

"Our members are telling us that they're ready for, and indeed, moving beyond FoFA now, and are focused on how they can add value to their clients within this continuing landscape marred by volatility," he said.

However, Mr Rantall confirmed that the FPA would not stop lobbying the Government about its controversial opt-in policy:

We don't believe opt-in adds any significant consumer protection benefits

"We still oppose opt-in. We don't believe that opt-in is an appropriate policy; given that we support the removal of commissions and conflicted remuneration, and given that there's going to be a legislated best interest test to ensure that financial planners act in their (client's) best interest.

"Of all the FoFA reforms, they're the big ticket items. They're the ones that will make a significant difference to consumer protection. We don't believe opt-in adds any significant consumer protection benefits."

He said that the Association was also in favour of extending the FoFA implementation date, and would continue to raise its concerns with the Government.

"The end of March through to July is too short a timeframe for implementation, so we will certainly be putting our case that any implementation should be extended, probably to a 12 month period from the day of passing."

Mr Rantall added that, despite the delays, research conducted by Investment Trends showed that FPA members were well placed for the implementation of the reforms, with CFPs already deriving over half (54%) of their revenue from fees compared to the industry average of 43%.

"By 2014 CFP advisers have indicated almost 70 per cent of their revenue will come from fees versus 60 per cent for the industry as a whole," Mr Rantall said. "It's clear the FPA's 2009 remuneration policy, which laid the groundwork for a fee-based world well before FoFA, has given our members a head-start for the transition."

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